

## Message Text

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PAGE 01 ATHENS 06119 191217Z  
ACTION EUR-12

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TO SECSTATE WASHDC 6792  
INFO USDOC WASHDC  
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UNCLAS ATHENS 6119

DEPARTMENT PASS EXIMBANK

E.O. 11652 N/A  
TAGS EIND, EINV, EWWT, GR  
SUBJECT: GREEK INVESTMENT PROJECT CANCELLED FOR ENVIRONMENTAL REASONS

REF: A. 74 ATHENS 4521; B. ATHENS A-39

1. COORDINATION MINISTER C. MITSOTAKIS ANNOUNCED JULY 17  
CANCELLATION OF GREEK SHIPOWNER ARISTOMENES KARAGEORGIS'  
USDLS 550 MILLION INDUSTRIAL COMPLEX INCLUDING A 332 USDOLLS MILLION  
500,000 TON/YEAR CAPACITY STEEL MILL; A 135 USDOLLS MILLION SHIP-  
BUILDING

AND REPAIR YARD; AN 88 USDLS MILLION ONE MILLION TON/YEAR  
CAPACITY CEMENT PLANT AND AN 880,000 USDLLS MARINE PAINTS PLANT.  
THE PROJECT WAS TO BE LOCATED IN THE PYLOS AREA, ONE OF  
GREECE'S MOST SCENIC SITES IN PELOPONNESUS. THE MINISTER  
SAID THAT THE GOVERNMENT INSTEAD WILL PROCEED AT A FAST  
PACE WITH TOURIST DEVELOPMENT PROJECTS IN THE PYLOS  
AREA WITH DUE REGARD FOR PROTECTING ECOLOGICAL  
AND ENVIRONMENTAL FEATURES AS WELL AS ARCHAEOLOGICAL  
SITES IN THE AREA.

2. COMMENT: CANCELLATION OF THE PYLOS INDUSTRIAL  
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PROJECT FOLLOWS STRONG PUBLIC REACTION AGAINST ITS  
ESTABLISHMENT FOR ENVIRONMENTAL REASONS. THIS REACTION  
TOOK THE FORM OF A VIGOROUS PRESS CAMPAIGN, DEMARCHES  
TO THE GOVERNMENTAL AND COURT ACTION. AN OFFICIAL OF THE  
KARAGEORGIS GROUP CONFIRMED CANCELLATION OF THE  
PROJECT POINTING OUT, HOWEVER, THAT SEVERAL LEGAL  
PROBLEMS WILL STEM FROM IT. HE MENTIONED THAT

KARAGEORGIS HAS ALREADY INCURRED EXPENDITURE OF OVER  
7SDLLS 5 MILLION IN FEASIBILITY AND PRE-FEASIBILITY STUDIES,  
PREPARATION OF PROJECT SPECIFICATIONS, CONSULTANT SERVICES,  
ETC. COMMENTING ON THE PLANNED TOURIST DEVELOPMENT OF  
THE AREA THE SAME SOURCE SAID THAT ABOUT 50 PERCENT OF  
THE EAST SIDE OF THE PYLOS GULF (ABOUT 2,000 ACRES) IS  
OWNED BY KARAGEORGIS ADDING THAT THIS MAY POSE A PROBLEM  
TO GOG'S PLANS. KARAGEORGIS' REACTION TO GOG'S DECISION  
HAS NOT AS YET CRYSTALIZED AND WILL REPORTEDLY DEPEND  
ON GOG'S RESPONSE TO ALTERNATIVE PROPOSALS THAT HE  
PLANS TO PRESENT TO THE GOG.  
MILLS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ENVIRONMENT, INVESTMENTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
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**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Handling Restrictions:** n/a  
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**Subject:** GREEK INVESTMENT PROJECT CANCELLED FOR ENVIRONMENTAL REASONS  
**TAGS:** EIND, EINV, EWWT, GR  
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